

## Message Text

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ORIGIN AGRE-00

INFO OCT-01 EUR-12 IO-13 ISO-00 STR-04 EB-07 LAB-04 SIL-01  
TRSE-00 COME-00 FEA-01 CEA-01 CIAE-00 DODE-00 FRB-03  
H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05 PA-01 AID-05  
CIEP-01 SS-15 ITC-01 USIA-06 PRS-01 SP-02 OMB-01  
OES-06 /107 R

DRAFTED BY USDA:WTINKLEPAUGH:JT 395-5081 1/11/76  
APPROVED BY STR:JSTARKEY  
STATE:TO'HERRON  
LABOR:DWANAMAKER  
USDA:JHUDSON  
STR:BSEASTRUM  
TREASURY:WWORTHIN  
COMMERCE:DSCHLECHTY

-----110402Z 130815 /71

R 110110Z JAN 77  
FM SECSTATE WASHDC  
TO USDEL MTN GENEVA  
INFO AMEMBASSY OTTAWA

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E.O. 11652: N/A

TAGS:ETRD;EAGR

SUBJECT: U.S. - CANADA AGRICULTURAL CONSULTATION

REF: A) MTN GENEVA 9957; B) STATE 53533, MARCH 4, 1976

1. WE APPRECIATE DETAILED REPORT FROM MTN DEL CONCERNING  
CANADIAN CONSULTATIONS. THE FOLLOWING ANSWERS POINTS  
RAISED REF A.

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2. LEGAL AUTHORITY TO INCREASE THE SIZE OF TARIFF QUOTAS  
AND/OR REDUCE THE QUOTA RATES WITHOUT SEEKING FORMAL CON-  
GRESSIONAL APPROVAL. LEGAL MEMORANDA ON THIS SUBJECT WERE  
FORWARDED TO MTN DEL SEVERAL MONTHS AGO; A SECOND SET IS  
BEING AIR-POUCHED FOR DEL CONVENIENCE.

3. FRESH BEEF PACKED IN CRYOVAC BAGS

THE DEFINITION OF AIRTIGHT CONTAINERS DOES COVER CRYOVAC PLASTIC BAGS, BUT FRESH, CHILLED OR FROZEN BEEF PACKED IN CRYOVAC BAGS ENTERS UNDER TSUS 106.10 AT 3 CENTS PER POUND, BECAUSE IT IS NOT PREPARED OR PRESERVED. PREPARED OR PRESERVED BEEF PACKED IN CRYOVAC BAGS ENTERS UNDER TSUS 107.52 AT 7.5 PERCENT AD VALOREM. THE DETERMINING FACTOR

FOR IMPORT CLASSIFICATION IS NOT WHETHER THE BEEF IS PACKED IN CRYOVAC BAGS, BUT WHETHER THE BEEF IS FRESH, CHILLED, FROZEN (TSUS 106.10) OR PREPARED (107.52).

#### 4. FISHERIES SUBGROUP

RESPONSE RE ESTABLISHMENT OF FISHERIES SUBGROUP IS BEING DEVELOPED.

#### 5. IMPORT CLASSIFICATION OF CIDER HAVING A HIGH ATMOSPHERIC PRESSURE (SPARKLING CIDER).

FOR CUSTOMS DUTY PURPOSES APPLE CIDER CONTAINING LESS THAN 1 ALCOHOL BY VOLUME IS CLASSIFIED AS APPLE JUICE (TSUS 165.15) AND ENTERS THE U.S.DUTY-FREE. APPLE CIDER CONTAINING 1 OR MORE BUT LESS THAN 7 ALCOHOL BY VOLUME, WHETHER SPARKLING OR NOT, IS CLASSIFIED AS FERMENTED CIDER (TSUS 167.15) AND IS SUBJECT TO A DUTY OF 3 CENTS PER GALLON. APPLE CIDER CONTAINING 7 OR MORE BUT NOT OVER 24 ALCOHOL BY VOLUME IS CONSIDERED APPLE WINE AND IS CLASSIFIED UNDER "OTHER FERMENTED ALCOHOLIC BEVERAGES" LIMITED OFFICIAL USE

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(TSUS 167.50) AND ASSESSED A DUTY OF 25 CENTS PER GALLON. ANY APPLE CIDER WITH MORE THAN 24 ALCOHOL IS CONSIDERED A SPIRIT (TSUS 168.50). SPARKLING CIDER DOES NOT ENTER UNDER TSUS 167.10 (CHAMPAGNE AND OTHER SPARKLING WINES).

#### 6. RAPESEED OIL

FOOD ADDITIVES (IMPORTED OR DOMESTIC) ARE EITHER CLASSIFIED BY THE FOOD AND DRUG ADMINISTRATION (FDA) AS "GENERALLY RECOGNIZED AS SAFE" OR ARE SUBJECT TO FDA FOOD ADDITIVE REGULATIONS. RAPESEED OIL FOR FOOD USE IS CONSIDERED A FOOD ADDITIVE BY THE FDA AND IS CONSIDERED "NOT GENERALLY RECOGNIZED AS SAFE" BY THE FDA FOR FOOD USE. THIS CLASSIFICATION IS A RESULT OF AN EARLY STUDY WHICH SHOWED THAT EURICIC ACID CAUSE DETERIORATION OF THE FATTY TISSUE IN THE HEART MUSCLES OF RATS(CONVENTIONAL RAPE VARIETI'S CONTAIN UP TO 40 EURICIC ACID. IMPORTS OF RAPESEED OIL, EXCEPT IF PACKED FOR DIRECT HUMAN CONSUMPTION (I.E., RETAIL CONSUMER SIZE CONTAINERS), ARE NOT DIRECTLY

SUBJECT TO FDA REGULATION- HOWEVER, UNDER FDA REGULATIONS IMPORTED AND DOMESTICALLY PRODUCED RAPESEED OIL, MUST BE TREATED BEFORE IT CAN BE USED AS A FOOD INGREDIENT. BY HYDROGEN-;ATION AND GLYCERIZATION, THEEURICIC ACID CONTENT OF RAPESEED OIL CAN BE BROUGHT DOWN TO LEVELS SUITABLE FOR FOOD GRADE. THERE IS NOW A PETITION BEFORE THE FDA

(BY A U.S. FOOD PROCESSOR) TO PLACE LOW-EURICIC ACID RAPESEED OIL IN THE "GENERALLY REGARDED AS SAFE" (GRAS) CATEGORY FOR FOOD ADDITIVE PURPOSES. THE FDA IS STUDYING THIS ISSUE AND IS PREPARING NEW GUIDELINES TO DESCRIBE WHAT HAS TO BE DONE TO RAPESEED OIL TO QUALIFY FOR A "GRAS" RATING.

#### 7. U.S. NOTIFICATIONS AGAINST CANADA

WE HAVE NO FURTHER NOTIFICATIONS TO MAKE AGAINST LIMITED OFFICIAL USE

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CANADA AT THIS TIME. THE SUBJECT IS UNDER CONTINUING REVIEW, HOWEVER.

#### 8. SUBMISSION OF REPORTS

WHEN REPORTS OF CONSULTATIONS ARE PREPARED, SUCH REPORTS SHOULD BE CIRCULATED TO ALL THE GROUPS, IN ACCORDANCE WITH REPORTING PROCEDURES AGREED TO IN DECEMBER 20, 1976, GROUP AGRICULTURE MEETING.

FYI: DEL MAY PLEASE NOTE ALSO, AS IMPLIED IN REFTEL B, UNITED STATES IS PREPARED TO VERIFY FACTS AS TO U.S. TARIFFS, SUBSIDIES, AND HEALTH AND SANITARY BARRIERS. HOWEVER WE CONTINUE TO BELIEVE NEGOTIATION ON THESE QUESTIONS CAN BEST BE HANDLED IN THE FUNCTIONAL GROUPS AND SUBGROUPS.  
KISSINGER

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NNN

## Message Attributes

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**Drafter:** 5081 1/11/76  
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**Review Markings:**  
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